GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:532
ANSWERED ON:09.07.2004
EMBEZZLEMENT IN UNION BANK OF INDIA
Chandel Shri Suresh

Will the Minister of FINANCE be pleased to state:

(a) whether cases of embezzlement in three branches of Union Bank of India, New Delhi have been reported and during the inquiry the officials have admitted to having committed crime;

(b) if so, whether some innocent officials have also been suspended in these cases to save the skin of higher officers who have been found involved therein;

(c) whether concurrent audit of all branches of Union Bank of India is conducted but the audit party failed to detect any of the aforesaid irregularities;

(d) whether the Government has received any letter from Member of Parliament in June, 2004 regarding reinstating the innocent officials; and

(e) if so, the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) : Union Bank of India has informed that frauds in their four branches in New Delhi were detected. Based on the reports in these cases, the Disciplinary Authority has suspended three Branch Managers, two Managers and one Accountant. Out of the above one Branch Manager and one Manager have admitted to have committed the lapses, which led to the fraud and one Branch Manager, who has committed serious irregularities in two branches, is absconding. Bank has confirmed that no efforts are being made to protect anyone.

(c): Out of these four branches, three are under concurrent audit and the auditors have not reported any serious irregularities. However, in two branches they have reported about the excesses allowed in certain advances accounts.

(d): Ministry of Finance has not received any letter from Member of Parliament in June, 2004 regarding reinstating the innocent officials of Union Bank of India.

(e): Does not arise.